

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 22, 2000

Mr. Steve Parrott
Director – Regulatory Affairs
1411 Capital Boulevard
Wake Forest, NC 27587

Dear Mr. Parrott:

In order to assist the Authority in its investigation of Docket 00-00797, *United Telephone – Southeast's (UTSE's) Tariff Filing to Increase Rates for Non-recurring Services, Directory Listings and Various Custom Calling Services and Packages*, it is requested that you respond to the following:

T.C.A. § 65-5-209(f) states in part that “At the expiration of the four-year price period, an incumbent local exchange company is permitted to adjust annually its rates for basic local exchange telephone services in accordance with the method set forth in subsection (e) provided that in no event shall the rate for residential basic local exchange service be increased in any one (1) year by more than the percentage change in inflation for the United States using the gross domestic product-price index (GDP-PI) from the preceding year as the measure of inflation.” Does UTSE’s proposed 142% rate increase for non-recurring trip charges violate this statutory provision? Provide a detailed explanation and legal justification for your response.

It is requested that you provide the requested information no later than 2:00 p.m. Wednesday, September 27, 2000. If there is need for clarification or if you have any questions regarding the request, contact David Foster at (615) 741-2904, extension 188.

Sincerely,

David Waddell,
Executive Secretary